

Message Text

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ACTION EA-10

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ABF-01 IGA-01 AID-05 CIAE-00 INR-05 NSAE-00 RSC-01

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O R 251105Z OCT 74

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC IMMEDIATE 7868

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INFO CINCPAC

S E C R E T SECTION 1 OF 2 BANGKOK 16997

E.O. 11652: GDS

TAGS: AFSP, EAID, MARR, MASS, TH

SUBJECT: GAO DRAFT REPORT: "U.S. ASSISTANCE AND OTHER
EXPENDITURES BENEFITTING THAILAND"

REF: (A) GAO DRAFT REPORT CODE 49217

(B) STATE 228104

1. FOLLOWING ARE CONSOLIDATED MISSION COMMENTS
(EMBASSY, USOM, MACTHAI AND AGATT) ON SUBJECT REPORT FOR
DEPARTMENT'S USE IN DISCUSSION WITH GAO.

2. GENERAL COMMENTS. THE GAO REPORT IS ESSENTIALLY
FACTUAL. AS TO ITS THRUST, IT FAILS TO RECOGNIZE
THAT US ASSISTANCE AND OTHER BENEFITS IT STUDIES
WERE EXTENDED IN RETURN FOR VALUE RECEIVED. WHILE
THIS WAS ADMITTEDLY BEYOND PURVIEW OF GAO STUDY, IT
WOULD NONETHELESS BE DESIRABLE IF REPORT MADE AT
LEAST SOME NOD IN THAT DIRECTION. BECAUSE OF NATURE OF
A NUMBER OF COMMENTS IN REPORT, IT IS IMPORTANT THAT SECURITY
OF CLASSIFIED PARAGRAPHS BE OBSERVED.

3. REPORT SEEMS TO OVERESTIMATE VALUE TO THAI
OF US INSTALLATIONS TURNED OVER TO THEM. ALTHOUGH
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REPORT RECOGNIZES THIS, IT DOES NOT DO SO IN

JUXTAPOSITION WITH STATEMENTS IMPLYING SUBSTANTIAL BENEFITS TO THAI FROM THESE TURNOVERS, E.G., PAGE 3, PAGE 8.

4. REPORT IS INCONSISTENT ON EXTENT US EXPENDITURES HAVE FIGURED IN THAI ECONOMIC GROWTH. FOR EXAMPLE, ON PAGES 3 AND 27 US EXPENDITURES ARE DESCRIBED AS "ONE OF MAIN REASONS FOR RAPID GROWTH IN THAI ECONOMY". WE WOULD PREFER MORE ACCURATE FORMULATION ON PAGE 34, "MILITARY SPENDING ALSO HAS HAD A SIGNIFICANT POSITIVE EFFECT ON CERTAIN SEGMENTS OF THE THAI ECONOMY".

5. SPECIFIC COMMENTS:

A) PAGE 1, FIRST PARAGRAPH PRESENTS US ASSISTANCE PURELY AS QUID PRO QUO FOR USE OF THAI FACILITIES. IT SHOULD BE REVISED OR CLASSIFIED CONFIDENTIAL.

B) PAGES 2, 11, 37, ACTIONS TAKEN AS A RESULT OF VISIT TO THAILAND OF THEN VICE PRESIDENT AGNEW SHOULD NOT BE REGARDED AS TREATIES OR AGREEMENTS.

C) PAGE 4, FIRST PARAGRAPH, IMPLIES DOUBT WHETHER RTG WILL UTILIZE FULL POTENTIAL OF FACILITIES TURNED OVER OR TO BE TURNED OVER DUE TO "POTENTIAL SECURITY PROBLEMS AND INTER-AGENCY DIFFERENCES". THIS MISSES FUNDAMENTAL POINT (MADE ELSEWHERE IN REPORT) THAT FACILITIES ARE SIMPLY TOO EXTENSIVE AND SOPHISTICATED FOR CONCEIVABLE THAI NEEDS.

D) PAGE 4(A), PAGES 36-40. THERE HAVE BEEN CASES IN WHICH US MILITARY EQUIPMENT WAS PROVIDED TO THAILAND BEFORE THAI PERSONNEL WERE TRAINED TO USE IT. IT SHOULD BE NOTED THAT IN SUCH CASES US MOBILE TRAINING TEAMS AND OTHER PERSONNEL ARE USUALLY MADE AVAILABLE TO PROVIDE HANDS-ON, ON-SITE TRAINING. WITH SPECIFIC REFERENCE TO HELICOPTERS, SINGLED OUT IN REPORT FOR SPECIAL CRITICISM IN THIS RESPECT, WHILE REPORT IS BASICALLY CORRECT, IT SHOULD BE NOTED

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THAT RTA HAS RESPONDED RAPIDLY TO INCREASED REQUIREMENTS. FLYING TIME HAS INCREASED AND AN ADEQUATE NUMBER OF PILOTS HAS BEEN ASSIGNED TO OPERATIONAL UNITS. SINCE RECEIPT OF ADDITIONAL HELICOPTERS, RTA HAS GRADUATED THREE CLASSES OF PILOTS AVERAGING 35 PILOTS PER CLASS. FOURTH CLASS STARTED IN OCTOBER 1974 WITH 85 STUDENTS.

E) PAGE 4(A), PAGES 26-33. SLAT STOCKS HAVE NOT BEEN MAINTAINED INTACT. WITHDRAWAL OF TEN BAILEY BRIDGES NOW IN PROGRESS, FOR EXAMPLE, WILL LEAVE ONLY THREE IN THAILAND OF ESTIMATED 26-36 ORIGINALLY IN SLAT STOCKS.

F) PAGE 4(B), PAGES 42-44. REPORT DESCRIBES PROBLEMS OF REVIEW AND PROGRAMMING OF RTAF PERSONNEL TRAINED UNDER MILITARY ASSISTANCE. JUSMAG ARMY ADVISORY GROUP DOES HAVE SUFFICIENT INFORMATION ON UTILIZATION AND RETENTION OF RTA PERSONNEL TRAINED UNDER SAP TO EFFECTIVELY REVIEW AND PROGRAM RTA PERSONNEL TRAINING NEEDS. ADP CARDS CONTAINING NAME, RANK, COURSE OF INSTRUCTION AND DATE TRAINING WAS ATTENDED IN CONUS HAVE BEEN PREPARED FOR ALL PERSONNEL RECEIVING TRAINING IN US DURING PERIOD FY67-FY74. DATA BASE, UPDATED SEMI-ANNUALLY, IS CURRENT AS OF 30 JUNE 1974. PRINT-OUT PRODUCED FROM ADP CARDS IS CORRELATED WITH PERSONNEL RECORDS MAINTAINED AT RTA TO ASCERTAIN AN INDIVIDUAL'S PRESENT UNIT AND DUTY ASSIGNMENT. IN EVENT SAP TRAINING RECEIVED IS NOT BEING UTILIZED IN INDIVIDUAL'S PRESENT DUTY ASSIGNMENT, APPROPRIATE RECOMMENDATIONS ARE MADE TO RTA. JUSMAG AIR FORCE ADVISORY GROUP NOW HAS UPDATED COMPREHENSIVE LISTING OF ALL RTAF PERSONNEL TRAINING WITHIN PAST THREE YEARS. RTAF NOW HAS MECHANIZED PERSONNEL SYSTEM. ANNUAL CROSS CHECK OF LISTS WILL BE CONDUCTED TO CHECK ASSIGNMENTS OF MAP-TRAINED PERSONNEL.

G) PAGE 7, PARAGRAPH 2. FIRST SENTENCE COULD MAKE REFERENCE TO THAI SUPPORT OF US INDIAN OCEAN ACTIVITIES AS AMONG US OBJECTIVES.

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H) PAGE 15, SECOND SENTENCE. THERE IS NO EVIDENCE THAT ECONOMIC DEVELOPMENT PROGRAMS WERE DELAYED AS A RESULT OF THE DELAY IN ISSUING P.L. 480 PURCHASE AUTHORIZATIONS.

I) PAGE 21. IT IS CORRECT THAT THE DELAY IN THE COTTON NEGOTIATIONS PERMITTED THE AVERAGING OF LARGER THAI COTTON EXPORTS, BUT IT SHOULD BE NOTED THAT AS A RESULT OF THESE NEGOTIATIONS THAILAND BECAME OBLIGATED, IN THE USUAL MARKETING REQUIREMENT, TO INCREASE ITS IMPORTS OF RAW COTTON FROM THE UNITED STATES.

J) PAGE 23. IT IS NOT CORRECT THAT THERE HAS

BEEN LITTLE EFFECT ON INCREASING THE SALE OF US
COMMODITIES. WHETHER FROM THIS OR OTHER CAUSES,
IMPORTS OF US TOBACCO, WHEAT AND COTTON HAVE INCREASED
IN BOTH VOLUME AND VALUE AS FOLLOWS:

	QUANTITY		VALUE	
	1970	1973	1970	1973
	METRIC TONS		MILLION DOLLARS	
TOBACCO	6,938	10,794	16.1	35.7
	(1972)		(1972)	
COTTON	13,495	58,826	8.5	40.8
WHEAT	16,765	28,659	0.9	2.8

K) PAGE 31. SINCE REPORT WAS DRAFTED, US HAS ONCE
AGAIN WITHDRAWN FROM TAKHLI.

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L) PAGE 32. THAI HAVE RECENTLY SHOWN INTEREST IN
IMPROVING MEDICAL TRAINING AND SERVICES FOR THAI
ARMED FORCES. AS SERVICES ARE UPGRADED, NEED
FOR CAMP FRIENDSHIP HOSPITAL EQUIPMENT MIGHT BECOME MORE

DISCERNIBLE.

M) PAGE 36, TABLE PAGE 54. GAO FIGURE FOR FY74 MAP IS ESTIMATE. ACTUAL FIGURES SHOULD BE MAP 32.5 MILLION, EDA 11 MILLION, TOTAL 43.5 MILLION.

N) PAGE 36 (ALSO PAGE 4(A)). STATEMENT IS MADE THAT MUCH OF US ASSISTANCE WAS GIVEN FUNDAMENTALLY IN SHORTRANGE U.S. INTEREST. THIS APPARENTLY IS INTENDED TO MEAN THAT EBB AND FLOW OF US AID TO THAILAND WAS FUNCTION OF EVENTS ELSEWHERE IN SOUTHEAST ASIA AND RAISES QUESTION WHETHER WE HAVE ANY LONGER TERM INTERESTS IN THAILAND.

O) PAGES 38, 39. FULL-TIME US ADVISORY ON-SITE SUPPORT HAS BEEN PROVIDED TO 9TH DIVISION. ALTHOUGH 23RD REGIMENTAL COMBAT TEAM (RCT) HAS NO US ADVISORY PERSONNEL ASSIGNED, PER SE, RCT HAS RECEIVED LIMITED ADVISORY SUPPORT FROM ELEMENTS
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WITHIN ADVISORY GROUP. 9TH DIVISION AND 23 RCT RECEIVED MOST OF THEIR AUTHORIZED EQUIPMENT AT TIME OF ACTIVATION. ALTHOUGH PLANNED, RTA O AND M COST FOR PERSONNEL FILL FOR THESE UNITS WAS NOT READILY AVAILABLE. RTA IS MAKING EFFORT TO PROVIDE NECESSARY STRENGTH FILL WITHOUT JEOPARDIZING ALREADY OVER-BURDENED PERSONNEL MANAGEMENT SYSTEM GEARED TO FILL PREVIOUSLY PROGRAMMED NEW UNITS. AS OF 31 AUGUST 1974, FOR 23RD RCT AUTHORIZED STRENGTH WAS 4,106 WITH ASSIGNED STRENGTH OF 2,878 OR 70 PERCENT FILL. THIS IS 12 PERCENT INCREASE IN ASSIGNED STRENGTH OVER PREVIOUS YEAR. FOR THIS SAME PERIOD, STRENGTH POSTURE IN 9TH DIVISION WAS 9,631 AUTHORIZED WITH 4,433 ASSIGNED OR 46 PERCENT FILL. THIS IS ALSO 12 PERCENT INCREASE IN ASSIGNED STRENGTH FROM PREVIOUS YEAR.

P) PAGE 42. IN CONNECTION WITH TRAINING BY US SPECIAL FORCES, THIS WAS NOT PRIMARY SF MISSION. SPECIAL FORCES WERE DEPLOYED TO THAILAND WITH PRIMARY MISSION OF STRATEGIC FORWARD STATIONING IN WESTERN PACIFIC. COMMENTS MADE BY PACOM HEADQUARTERS IN LETTER DATED 6 AUGUST 1974, SERIAL NO. 722-0413, DO NOT APPEAR TO HAVE BEEN INCLUDED WITHIN THE DRAFT REPORT. THESE COMMENTS ARE: US ARMY SPECIAL FORCES THAILAND (USASFT) TRAINING SHOULD NOT BE CHARGED TO THAI MAP FOR THE FOLLOWING REASONS: PERIOD JULY 1972 TO INACTIVATION 25 MARCH 1974 USASFT CONTINUED PRESENCE

IN THAILAND WAS RESULT OF PACOM TASKING. PRIOR TO JULY 1972 ORIGINALLY PLANNED USASFT TRAINING OF RTARF PERSONNEL, FUNDED UNDER DOD APPROPRIATIONS (MASF), HAD BEEN OR WAS NEAR COMPLETION. CONTINGENCY TASKS BEYOND JUNE 1972 TENDED TO CREATE INACTIVITY AND REDUCE USASFT PROFICIENCY. TO FILL VOID AND MAINTAIN USASFT OPERATIONAL READINESS, US SPECIAL FORCES ENGAGED IN FURTHER TRAINING WITH THAI AND KHMER PERSONNEL. WORKING WITH INDIGENOUS PERSONNEL IS ESSENTIAL TO US SPECIAL FORCES PROFICIENCY. IT REALIZES TRAINING BENEFITS FOR BOTH US AND INDIGENOUS PERSONNEL. HOWEVER, PRIMARY REASON FOR TRAINING WAS USASFT
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OPERATIONAL READINESS, AND COST APPROPRIATELY CHARGED AS US TRAINING.

US SPECIAL FORCES ARE NO LONGER STATIONED IN THAILAND.

Q) PAGE 44. RECOMMENDATIONS FAIL TO TAKE ACCOUNT OF IMPORTANT POLITICAL USES OF MILITARY ASSISTANCE, WHICH IS INDEED SOMETIMES SUPPLIED FOR REASONS OTHER THAN THOSE STEMMING FROM URGENT NEED OR FROM CAPABILITY OF RECEIVING COUNTRY TO USE FULLY EFFECTIVELY AT TIME OF DELIVERY.

R) PAGE 46. STATEMENT THAT "US OFFICIALS IN BANGKOK DO NOT CONSIDER THE COUNTERINSURGENCY PROBLEM AS A SERIOUS THREAT IN THE SHORT-RUN", WHILE READ IN CONTEXT WITH FOLLOWING SENTENCE, IS REASONABLY ACCURATE BUT SHOULD NOT APPEAR IN UNCLASSIFIED REPORT.

S) PAGE 45, PARA. 3. IT APPEARS THAT THE GAO REPORT MAY HAVE INCLUDED THE MOBILE DEVELOPMENT UNIT (MDU) PROGRAM AS PART OF ARD, WHICH IT IS NOT. USOM FIGURES SHOW NET OBLIGATIONS FOR ARD OF \$11.4 MILLION FOR 1967 AND \$1.5 MILLION FOR FY74.

T) PAGE 47, PARA. 1 - INDENT 1. THIS INFORMATION ON INCOME LEVELS WAS QUOTED FROM A SEPTEMBER 1972 REPORT PREPARED BY THE ECONOMIC ANALYSIS DIVISION, OFFICE OF PROGRAM, USOM/T, ENTITLED THE EMPLOYMENT PROBLEM IN THAILAND AND WAS INCORPORATED AS PART OF AN A.I.D. AUDITOR GENERAL REPORT NO. 8-493-74-38. IN RESPONSE TO THE A.I.D. AUDIT REPORT, USOM/T INDICATED THAT THE INFORMATION WAS MISLEADING DUE TO THE FACT THAT TWO IMPORTANT

FOOTNOTES FROM THE CITED SOURCE WERE OMITTED.
THESE FOOTNOTES HAVE CONSIDERABLE IMPACT ON HOW
THE QUOTED FIGURES SHOULD BE INTERPRETED.

U) PAGE 48, PARA. 2. THE MAJOR REASON FOR THE
PROBLEM OF THE RURAL POOR IDENTIFIED IN THIS
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PARAGRAPH IS THE HIGH POPULATION GROWTH RATE IN
THAILAND. THE INCREASE IN RENTED FARM LAND IN
THAILAND IN THE LAST DECADE DOES NOT NECESSARILY
REFLECT AN INCREASE IN ABSENTEE LANDOWNERSHIP. NO
EXTENSIVE STUDY OF ABSENTEE LANDOWNERSHIP HAS BEEN
MADE TO OUR KNOWLEDGE SINCE THE AGRICULTURAL CENSUS
OF 1963.

V) PAGE 48, ARD PROGRAM. USOM FIGURES REFLECT
TOTAL NET CONTRIBUTION FROM 1964 THROUGH FY 1974
OF \$60.6 MILLION INSTEAD OF \$63.9 STATED IN THE
REPORT.
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